

Austin, Texas, March 13, 1939.

Hon. R. Emmett Morse, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. C. R. No. 57, Recalling Senate Bill No. 213 from the Senate.

Has carefully compared same and finds it correctly enrolled.

HAMILTON, Chairman.

### SENT TO THE GOVERNOR

March 13, 1939

House Bill No. 148.

House Bill No. 356.

House Bill No. 348.

House Bill No. 341.

House Concurrent Resolution No. 55.

House Concurrent Resolution No. 56.

House Concurrent Resolution No. 57

### THIRTY-EIGHTH DAY

(Tuesday, March 14, 1939)

The House met at 10:00 o'clock a. m., pursuant to adjournment, and was called to order by Speaker Morse.

The roll of the House was called, and the following Members were present:

Mr. Speaker	Burney
Allen	Cauthorn
Allison	Celaya
Alsup	Chambers
Anderson	Clark
Bailey	Cleveland
Baker	Cockrell
of Fort Bend	Coleman
Baker of Grayson	Colquitt
Bell	Colson, Mrs.
Blankenship	Cornett
Bond	Corry
Boyd	Crossley
Boyer	Daniel
Bradbury	Davis of Jasper
Bradford	Davis of Upshur
Bray	Dean
Bridgers	Derden
Broadfoot	Dickison
Brown of Cherokee	Dickson
Brown	Donaghey
of Nacogdoches	Dowell
Bundy	Dwyer
Burkett	Faulkner

Felty	Morris
Ferguson	Newell
Fielden	Nicholson
Fuchs	Oliver
Galbreath	Olsen
Gilmer	Pace
Goodman	Petsch
Gordon, Mrs.	Pevehouse
Hale	Piner
Hamilton	Pope
Hankamer	Ragsdale
Hardeman	Reader of Bexar
Hardin	Reader of Erath
Harp	Reaves
Harper	Reed
Harrell of Bastrop	Rhodes
Harrell of Lamar	Riviere
Harris	Roach
Hartzog	Roberts
Heflin	Robinson
Holland	Russell
Howard	Schuenemann
Howington	Segrist
Hull	Shell
Hunt	Skiles
Isaacks	Smith of Frio
Johnson of Ellis	Smith of Hopkins
Johnson of Tarrant	Smith
Keith	of Matagorda
Kern	Spencer
Kerr	Stinson
Kersey	Stoll
Kinard	Talbert
King	Tarwater
Langdon	Taylor
Lehman	Tennant
Leonard	Thornberry
Leyendecker	Thornton
Little	Turner
Lock	Vale
Loggins	Vint
London	Voigt
Mays	Waggoner
McAlister	Weldon
McDaniel	Wells
McDonald	Westbrook
McFarland	White
McMurry	Wilson
McNamara	Winfree
Mohrmann	Wood
Monkhouse	Worley
Montgomery	Wright

Absent—Excused

Kennedy

A quorum was announced present.

Prayer was offered by Rev. George W. Coltrin, Chaplain, as follows:

"Lord, Thou art God, and before Thee there is none other. Open our

eyes to see, our ears to hear, and our minds to understand that before Thee there is none other. Open our beings. May it be ours today to meet Thy reasonable expectations concerning us and to serve our fellow men effectively. In Jesus' name. Amen."

#### LEAVE OF ABSENCE GRANTED

The following Member was granted leave of absence on account of illness: /

Mr. Kennedy for today, on motion of Mr. Spencer.

#### BILL ORDERED NOT PRINTED

On motion of Mr. Leyendecker, Senate Bill No. 252 was ordered not printed.

#### ADDITIONAL SIGNER OF HOUSE BILL NO. 396

Mr. Hale was authorized to sign House Bill No. 396, as co-author of same.

#### RELATIVE TO APPOINTMENT OF A DELEGATE TO THE SOUTHERN INTER-STATE CRIME CONFERENCE

The Speaker laid before the House, for consideration at this time, House Simple Resolution No. 157, by Mr. Wood, Relative to the appointment of a Delegate to the Southern Interstate Crime Conference.

The resolution having heretofore been read second time and referred to the Committee on Federal Relations.

The Committee on Federal Relations having recommended the adoption of the resolution with the following committee amendment by Mr. Harris:

Amend House Simple Resolution No. 157, by striking out the period at the end of the resolution and adding the following:

"upon the filing with the Contingent Expenses Committee of a sworn statement of the actual and necessary expenses incurred by said member to said convention."

On motion of Mr. Alsup, the resolution was tabled.

#### AUTHORIZING THE ENROLLING CLERK TO MAKE CERTAIN CORRECTION IN HOUSE BILL NO. 379

Mr. Boyd offered the following resolution:

H. C. R. No. 59, Authorizing the Enrolling Clerk of the House to make certain correction in House Bill No. 379.

Whereas, House Bill No. 379 was passed by the House and Senate with the words "general and special laws" being omitted from the same; now, therefore, be it

Resolved by the House of Representatives, the Senate concurring, That the Enrolling Clerk be instructed to insert the words "general and special laws" after the words and figures "Chapter 363," in line 9 of the bill.

The resolution was read second time, and was adopted.

#### AUTHORIZING AMENDING OF CAPTION OF HOUSE BILL NO. 379

Mr. Boyd offered the following resolution:

H. C. R. No. 60, Authorizing the caption amended to House Bill No. 379.

Whereas, By House Concurrent Resolution No. 59 the words "general and special laws" were inserted following the words and figures, "Chapter 363," now, therefore, be it

Resolved by the House of Representatives, the Senate concurring, That the caption of the bill be amended to conform to the body thereof as amended.

The resolution was read second time, and was adopted.

#### HOUSE JOINT RESOLUTION NO. 16 ON SECOND READING

The Speaker laid before the House, on its second reading,

H. J. R. No. 16, A Joint Resolution, Proposing an amendment to Section 51b of Article III of the Constitution of the State of Texas, giving the Legislature power by General Laws to provide for the payment of old age assistance subject to certain limitations, and fixing the qualifications of recipients of old age assistance and fixing the maximum amount of assistance which may be granted by the State, and providing old age assist-

ance shall not be paid except to persons who are in need and otherwise qualified to receive such assistance; defining the word "need;" providing that old age assistance shall not be construed as a vested right in recipients of old age assistance; providing for authority to accept aid from the Government of the United States for old age assistance; levying and providing for the collection of a transaction tax of one and six-tenths (1.6%) per cent on the amount of actual value passing by each transaction and providing for the payment of such tax, and providing that where the amount of value which passes by a transaction is fixed by law, the tax of one and six-tenths (1.6%) per cent of such value shall be collected on the last transaction only; defining the words "value," "person" and "transaction" as used in such amendment; and providing what transactions shall be exempt from said transaction tax; providing that production of natural resources of this State shall be subject to such transaction tax and fixing the date such tax shall be effective against such production, and determining the person liable for such tax; providing that if such transaction tax against production of natural resources fails or cannot be collected, a severance tax of one and six-tenths (1.6%) per cent of the value of such production be and is levied on such production in lieu of said transaction tax; providing for collection of such tax by the Comptroller of Public Accounts and payment thereof to the State Treasurer; providing that such tax funds shall be credited to the Texas Old Age Assistance Fund, and requiring the transfer of certain of such funds to the Confederate Soldiers Pension Fund, Destitute Children Assistance Fund and Teachers' Retirement Fund, and fixing the amount and time of such transfers; providing for the exclusive use which shall be made of such funds, and providing that no other tax shall be levied for the payment of old age assistance, Confederate Soldiers pensions, destitute children assistance and teachers' retirement pensions; providing for payment of part of surplus tax into General Fund of the State; allocating such tax funds in case the same be inadequate to pay assistance as provided in this amendment; prohibiting counties, cities, and other political subdivisions from levying trans-

action tax; giving the Legislature power by General Laws to provide for administration of the provisions contained herein and for the collection of all taxes herein levied; proposing to amend the Constitution of the State of Texas by adding thereto Section 1-b to Article VIII, abolishing all State ad valorem taxes from and after January 1, 1941, except as to property situated in counties or political subdivisions receiving a remission of State taxes, and further providing that State revenue received from cigarette tax shall be allocated to Available School Fund, and specifying what use may be made thereof; providing for submission of amendment to qualified electors of the State and fixing the time of such election; providing for the necessary proclamation and making an appropriation to defray the expenses of proclamation, publication and election.

The resolution was read second time.

(Mr. Leonard in the Chair.)

Mr. Petsch offered the following committee amendment to the resolution:

Amend House Joint Resolution No. 16, by striking out all below the enacting clause and substituting in lieu thereof the following:

Section 1. That Section 51b of Article III of the Constitution of the State of Texas be amended so as to hereafter read as follows:

"Section 51b. The Legislature shall have the power by General Law to provide for the payment of old age assistance to citizens of the United States who are actual bona fide citizens of Texas, subject, however, to the following provisions and limitations:

(1) No one shall be eligible to receive old age assistance who is (a) an habitual criminal or habitual drunkard; (b) who is an inmate of a State institution; (c) who has not been an actual resident of the State of Texas for at least five (5) years during the nine (9) years immediately preceding the application for old age assistance and continuously for one (1) year immediately preceding such application; (d) nor shall any person be eligible for old age assistance unless such person be sixty-five (65) years of age or older.

(2) The amount of the assistance granted by the State to be paid out

of State Funds shall never exceed Fifteen (\$15.00) Dollars per month to any person who is otherwise qualified to receive such assistance.

(3) Old age assistance shall never be paid except to a person who is in need and who is otherwise qualified to receive such assistance.

(4) The term "person who is in need" as used in Subsection 3 above is hereby defined to mean: a person who does not have a net income of Thirty (\$30.00) Dollars per month. The amount of the old age assistance granted by the State shall in each case be such an amount as when added to the net income of the person, together with any amount which may be granted by the Federal Government, will equal Thirty (\$30.00) Dollars per month, provided that in no case shall the amount to be paid out of State Funds exceed Fifteen (\$15.00) Dollars per month. In determining need the ability of children, or other relatives, to assist in supporting applicants for assistance shall never be taken into consideration.

(4a) The term "net income" as used in Subsection four (4) above is hereby defined to mean the total amount received in money or its equivalent from personal labor, wages, salaries, interest, dividends, rentals and bequests, less actual business expense incurred in earning such income and taxes actually paid thereon; but "net income" shall not include the rental value of the home of the recipient where said rental value does not exceed Fifteen (\$15.00) Dollars per month, nor shall it include the value of agricultural, livestock, dairy and poultry products produced and consumed by the recipient on the premises; provided, however, that as to real property the income therefrom shall be the net rents received and which shall remain after deducting all taxes paid on such real property for the same period covered by such rents, all insurance premiums paid thereon but prorated for the same period covered by such rents, and the amount actually paid for repairs made to such real property during the same period covered by such rents; provided further that in determining income from real property no deductions shall be made on account of depreciation of the value of such real property.

(5) The Legislature shall have the authority to accept from the Government of the United States such financial aid for old age assistance as that Government may offer not inconsistent with the limitations and provisions of this amendment.

(6) In order to provide the revenues for the purposes set out in this amendment, taxes to be known and designated as Social Security Taxes are hereby levied upon transactions, services, activities and natural resources as follows:

(a) Upon every retail sales transaction of tangible personal property in this State the tax shall be one (1c) cent upon each forty (40c) or fractional part thereof of the sale price.

(b) Upon every sale in this State of electric energy and gas (natural or artificial) by private utilities, municipalities and governmental agencies, except on sales for industrial purposes, the tax shall be one (1c) cent on each forty (40c) cents, or fractional part thereof of the sale price.

(c) Upon all sales of service to telephone subscribers and to others through equipment of telephone subscribers for the transmission of messages and conversations, both local and long distance, and upon the sale, rental or leasing of all equipment or services pertaining or incidental thereto in this State the tax shall be one (1c) cent for each forty (40c) cents or fractional part thereof of the sale price.

(d) Upon all charges for admission to places of amusement or athletic contests, the tax shall be one (1c) cent for each forty (40c) cents or fractional part thereof of the admission price in excess of fifty (50c) cents.

(e) The taxes levied under (a), (b), (c) and (d) shall be collected from the purchaser by the seller, provided that the seller may at his option refrain from collecting the tax on sales of fifteen (15c) cents or less, but in such case the seller shall pay the tax to the Comptroller as herein provided; and, except as herein otherwise exempted, on or before the tenth (10th) day of each month every such seller shall compute the amount of his total cash gross receipts for the preceding month from all transactions described in paragraphs (a), (b), (c) and (d) and in settlement of the taxes

thereon, he shall pay to the Comptroller of this State two and one-half ( $2\frac{1}{2}\%$ ) per cent on the amount of such total gross cash receipts. The Legislature shall enact suitable laws to enforce the collection of such taxes.

(f) Each person who owns, controls, manages, leases or operates, any sulphur mine, or mines, well or shafts, or who produces sulphur by any method, system, or manner within this State shall pay a severance tax of twenty-five (25c) cents per long ton, or fraction thereof, of all sulphur so produced within the State.

(g) A severance tax equivalent to three-fourths ( $\frac{3}{4}$ ) of one (1%) per cent of the market value of the total amount of gas produced and saved within this State is hereby levied.

(h) There is hereby levied a severance tax on all oil produced within this State of three-fourths ( $\frac{3}{4}$ c) cent per barrel of forty-two (42) standard gallons, said tax shall be computed upon the total barrels of oil produced or salvaged from the earth or waters of this State without any deductions; provided, however, that the severance tax herein levied on oil shall be three-fourths ( $\frac{3}{4}$ ) of one (1%) per cent of the market value of said oil whenever the market value thereof is in excess of One (\$1.00) Dollar per barrel of forty-two (42) standard gallons.

(i) Severance taxes herein imposed shall be paid to the Comptroller of this State; said taxes shall be the liability of the producer and such taxes shall be borne ratably by all interested parties including royalty owners. The Legislature shall enact laws prescribing the method of reporting and collecting all severance taxes and may require the purchaser of oil, gas and sulphur to deduct the tax on all oil, gas and sulphur purchased and pay same to the Comptroller of this State. Until the Legislature shall otherwise provide, the provisions of the existing law providing for an occupation tax on oil, gas and sulphur with reference to paying such occupation tax, the records to be kept and reports to be made in regard thereto, and all other administrative provisions of said law, insofar as they may be given application consistent herewith, shall apply and be followed in the enforce-

ment and collection of the severance taxes herein levied.

(7) There is hereby exempted from the provisions of this amendment and from the computation of the taxes levied, assessed and payable under this amendment the first sale by the producer of all horticultural, agricultural, live stock, poultry and dairy products; all admissions to places of amusement and athletic contests where the admission price is fifty (50c) cents or less; all sales of newspapers and magazines; all sales of gasoline and cigarettes; all sales of beverages having an alcoholic content of more than one-half ( $\frac{1}{2}$ ) of one (1%) per cent by volume; all sales in interstate commerce to the extent, and to the extent only, that the State of Texas is prohibited by the Constitution of the United States of America from taxing such sales.

(8) The term "person" as used herein shall mean and include any person, firm, concern, receiver, trustee, executor, administrator, agent, institution, association, partnership, company, corporation and persons acting under declarations of trust, as well as the trustees acting under such declarations of trust, or any other group or combination acting as a unit, and the plural as well as the singular number unless the intention to give it a more limited meaning is clearly disclosed by the context.

(9) "Sale" means any transfer of title or possession or both, conditional or otherwise, in any manner or by any means whatsoever of tangible personal property, for a consideration; and, a transaction whereby the possession of property is transferred but the seller retains title as security for the payment of the price shall be deemed a sale. A "retail sale", or a "sale at retail", or a "retail sales transaction" means a sale to a consumer or to any person for any purpose other than for resale in the form of tangible personal property, and shall include all such transactions as the State Comptroller, upon investigation, finds to be in lieu of such sales; provided, however, "sale at retail" shall not include an isolated or occasional sale of tangible personal property by a person not engaged in such business.

(10) The term "tangible personal property" means personal property

which may be seen, weighed, measured, felt, touched or is in any other manner perceptible to the senses.

(11) The term "sale for industrial purposes" as used in connection with the sale of gas and electric energy, means and includes all sales made for industrial uses or purposes and all sales made for the purpose of resale.

(12) The Comptroller of Public Accounts of this State shall collect all taxes levied herein and pay the same to the State Treasurer and the State Treasurer shall open and maintain in his office three (3) special funds as follows: (a) Destitute Children's Assistance Fund; (b) Teachers' Retirement Fund; and (c) Texas Old Age Assistance Fund. All the proceeds of the taxes herein levied shall be received by the State Treasurer from the Comptroller of Public Accounts and credited to the Texas Old Age Assistance Fund.

(13) Between January 1, 1940, and July 1, 1940, the State Treasurer shall transfer from the Texas Old Age Assistance Fund to the said Destitute Children's Assistance Fund, the sum of One Million, Five Hundred Thousand (\$1,500,000.00) Dollars to meet the obligations of this State as authorized by Section 51d of Article III of the Constitution of this State, and annually thereafter said Treasurer shall during the first six (6) months of each year transfer from said Texas Old Age Assistance Fund to said Destitute Children's Assistance Fund such an amount, not to exceed One Million, Five Hundred Thousand (\$1,500,000.00) Dollars, as may be necessary, together with any monies, or funds remaining in such Destitute Children's Assistance Fund to meet Legislative Appropriations authorized for such purposes. Such fund, or so much thereof as may be necessary, shall be used exclusively for the payment of assistance to destitute children and the State's portion of the cost of administering said fund.

(14) Between January 1, 1940, and July 1, 1940, the State Treasurer shall transfer from the Texas Old Age Assistance Fund to the said Teachers' Retirement Fund, an amount adequate to meet the obligations of this State which will accrue during the period beginning January 1, 1940, and ending January 1, 1941, as provided for

in Section 48a of Article III of the Constitution of this State, and annually thereafter said State Treasurer shall, during the first six (6) months of each year, transfer from said Texas Old Age Assistance Fund to said Teachers' Retirement Fund such an amount as may be necessary to meet the obligations of the State as provided for in said Section 48a of Article III of the Constitution of this State. Such fund, or so much thereof as may be necessary, shall be used exclusively for the payment of Teachers' Retirement Benefits, and the State's portion of the cost of administering such fund. It is provided, however, that during the calendar year 1942, the State Treasurer shall transfer from the Old Age Assistance Fund to the Teachers' Retirement Fund an additional amount equivalent to one-fifth (1/5th) of the undischarged obligation of the State to the Teachers' Retirement Fund which has accumulated prior to the first day of January, 1940, and during each of the succeeding four years a like amount shall be so transferred to the Teachers' Retirement Fund.

(15) All of the proceeds of the taxes herein levied, save and except such of said proceeds as shall be credited to the Destitute Children's Assistance Fund, as provided in Subsection (13) of this Section and to the Teachers' Retirement Fund as provided in Subsection (14) of this Section, shall be used exclusively for the payment of Old Age Assistance and the cost of collectnig said tax and administering of Old Age Assistance; provided that at least thirty (30) days prior to the convening of each regular biennial session of the Legislature, beginning with the regular biennial session in the year 1941, the State Treasurer shall examine the condition of the Texas Old Age Assistance Fund and when, after meeting all obligations for the preceding biennium, it is found by him that a surplus of as much as twenty-five (25%) per cent of the cost of meeting such obligation during the previous biennium has accumulated, then, in that event, the Legislature shall ratably reduce the rates of taxation herein levied so as to provide as nearly as possible only so much revenue as is necessary to meet the actual requirements under this amendment.

(16) On and after January 1, 1940, Old Age Assistance, Destitute

Children's Assistance, Teachers' Retirement Benefits and the State's portion of the administration thereof shall be paid exclusively from the revenue derived from the taxes herein levied and no appropriation shall be levied and no appropriation shall thereafter be made out of any other State funds for any such purposes, nor shall any other taxes be levied, or collected, nor shall the taxes herein levied ever be increased for the payment of Old Age Assistance, Destitute Children's Assistance or for Teachers' Retirement Benefits or the State's portion of the administration thereof.

(17) If after the State Treasurer has transferred and credited to the Destitute Children's Assistance Fund and Teachers' Retirement Fund the respective amounts required to be transferred and credited to such respective funds, it appears that the revenue remaining will not be adequate to pay in full all grants made to recipients of old age assistance, then, and in that event, the revenue remaining shall be paid pro rata to such recipients of old age assistance based on the amount granted to each recipient, and neither the State nor any of its agencies shall be liable in any way to any recipient for any deficit. The provisions hereof providing for old age assistance shall not be construed as a vested right in the recipients of old age assistance.

(18) The taxes herein levied are in addition to all other taxes that are now or may hereafter be levied by law.

(19) No city or other political subdivision of the State, by virtue of its taxing power, police power, or otherwise, shall impose an occupation tax or charge of any sort, whether measured by gross receipts or otherwise, for the privilege of doing business, upon any person engaged in a business in which the sales or service transactions are taxed under this amendment, provided that this amendment shall not limit the right of any city to collect any special taxes which are now or may hereafter be provided for in a franchise, or which are payable under any agreement now in existence or hereafter made between a city and the holder of a franchise.

(20) The Legislature shall have the power by General Law to grant to the Comptroller of Public Accounts such powers and authority to promul-

gate and issue rules and regulations covering the collection of the taxes levied herein as the Legislature may deem necessary, and the Legislature shall have the power by General Law to provide for the administration of all of the provisions contained in this amendment and for the collection of all taxes herein levied."

Sec. 2. The taxes levied in this amendment shall become effective September 1, 1939.

Sec. 3. Said proposed Constitutional Amendment shall be submitted to a vote of the qualified electors of this State at a special election to be held throughout the State on the first Saturday in June, 1939, at which election all voters favoring such proposed amendment shall write or have printed on their ballots the words:

"For the amendment to the State Constitution providing a system of old age assistance, levying Social Security taxes for the payment of such old age assistance and providing a source of revenue for the payment of Destitute Children's Assistance and Teachers' Retirement Benefits."

And all those opposed shall write or have printed on their ballots the words:

"Against the amendment to the State Constitution providing a system of old age assistance, levying Social Security taxes for the payment of such old age assistance and providing a source of revenue for the payment of Destitute Children's Assistance and Teachers' Retirement Benefits."

Sec. 4. The Governor of the State of Texas is hereby directed to issue the necessary proclamation for said election and have same published as required by the Constitution and laws of this State.

The sum of Ten Thousand (\$10,000.00) Dollars or so much thereof as may be necessary is hereby appropriated out of any funds in the Treasury of this State not otherwise appropriated to pay the expenses of such publication and election.

(Mr. Thornton in the Chair.)

Mr. Hankamer offered the following amendment to the committee amendment:

Amend committee amendment No. 1, to House Joint Resolution No. 16, Section 1, page 8, by adding between lines 3 and 4 a new Subsection to

be known as Subsection "(18a)," said new Subsection to read as follows:

"(18a). On and after January 1, 1940, two-thirds (2/3) of all tax revenue derived in this State from the sale of cigarettes, and three-fourths (3/4) of all tax revenue derived in this State from the sale of liquor, wine and beer shall be credited to the Old Age Assistance Fund."

The amendment was adopted.

#### REASON FOR VOTE

I vote "nay," on the Hankamer amendment, because I am opposed to licensing the sale of liquor and beer, and I am opposed to taxing these license fees for the support of old people and school teachers. The political significance of such legislation is significant.

#### ROACH.

(Mr. Leonard in the Chair.)

Mr. Hankamer offered the following amendment to the committee amendment:

Amend committee amendment No. 1 to House Joint Resolution No. 16, Section 1, page 6, by striking out all of line 38, and inserting in lieu thereof the following:

"(15). All of the proceeds of the taxes levied and provided herein, save."

The amendment was adopted.

Mr. Taylor offered the following amendment to the committee amendment:

Amend committee amendment No. 1, by striking out on line 9, page 1 of the printed resolution, the word "enacting," and substituting in lieu thereof the word "resolving," and by striking out the word "enacting," where it appears on lines 14 and 15 on page 9, and inserting in lieu thereof the word "resolving."

The amendment was adopted.

Mr. Mays offered the following amendment to the committee amendment:

Amend committee amendment No. 1 to House Joint Resolution No. 16, page 3, line 36, Section (g), by striking out Section (g) and changing it to hereafter read as follows:

"A severance tax equivalent to one-fourth (1/4) of one cent (1c) per 1,000 cubic feet of all gas produced and saved within this State is hereby levied."

Mr. Little moved to table the amendment by Mr. Mays.

Question recurring on the motion to table, yeas and nays were demanded.

The motion to table was lost by the following vote:

Yeas—57

Alsop	Johnson of Tarrant
Blankenship	Kinard
Bond	Little
Boyer	Loggins
Bradford	London
Bray	McAlister
Bundy	McFarland
Burkett	McMurry
Celaya	Monkhouse
Clark	Newell
Cleveland	Nicholson
Colquitt	Petsch
Corry	Pevehouse
Crossley	Reed
Daniel	Riviere
Donaghey	Schuenemann
Fielden	Segrist
Goodman	Shell
Gordon, Mrs.	Smith
Hamilton	of Matagorda
Hankamer	Stinson
Hardin	Tarwater
Harp	Taylor
Harper	Tennant
Harris	Thornton
Hartzog	Vale
Howard	Waggoner
Hull	White
Johnson of Ellis	Worley

Nays—82

Allen	Dowell
Allison	Faulkner
Bailey	Felty
Baker of Grayson	Ferguson
Bell	Fuchs
Boyd	Galbreath
Bradbury	Gilmer
Bridgers	Hale
Broadfoot	Hardeman
Brown of Cherokee	Harrell of Bastrop
Brown	Harrell of Lamar
of Nacogdoches	Heflin
Burney	Holland
Cauthorn	Howington
Chambers	Hunt
Cockrell	Isaacks
Coleman	Keith
Cornett	Kern
Davis of Jasper	Kerr
Davis of Upshur	Kersey
Derden	King
Dickson	Langdon
Dickson	Lehman



Leyendecker	Russell
Lock	Skiles
Mays	Smith of Frio
McDaniel	Smith of Hopkins
McDonald	Spencer
McNamara	Stoll
Mohrmann	Talbert
Montgomery	Thornberry
Morris	Turner
Oliver	Vint
Olsen	Voigt
Pace	Weldon
Piner	Wells
Reader of Erath	Westbrook
Reaves	Wilson
Rhodes	Winfree
Roach	Wood
Roberts	Wright
Robinson	

## Absent

Anderson	Dwyer
Baker	Pope
of Fort Bend	Ragsdale
Colson, Mrs.	Reader of Bexar
Dean	

## Absent—Excused

Kennedy

Mr. Boyer offered the following substitute amendment for the amendment by Mr. Mays:

Substitute for Mays amendment, the following:

"A severance tax equivalent to one per cent (1%) of the market value of the total amount of gas produced and saved within this State is hereby levied."

BOYER,  
LITTLE,  
WORLEY.

Mr. Mays moved to table the substitute amendment by Mr. Boyer.

Question recurring on the motion to table, yeas and nays were demanded.

The motion to table was lost by the following vote:

## Yeas—60

Allen	Davis of Upshur
Anderson	Derden
Bell	Dickison
Boyd	Dickson
Bradbury	Dowell
Bridgers	Faulkner
Burney	Fuchs
Cauthorn	Galbreath
Coleman	Gilmer
Cornett	Gordon, Mrs.
Davis of Jasper	Hale

Hardeman	Olsen
Harrell of Bastrop	Reader of Erath
Harrell of Lamar	Reaves
Holland	Roberts
Howington	Russell
Isaacks	Skiles
Keith	Smith of Frio
Kern	Stoll
Kerr	Talbert
King	Thornberry
Langdon	Turner
Leyendecker	Vint
Lock	Weldon
Mays	Wells
McNamara	Westbrook
Mohrmann	White
Montgomery	Wilson
Morris	Winfree
Oliver	Wood

## Nays—81

Allison	Johnson of Tarrant
Alsup	Kersey
Bailey	Kinard
Baker	Lehman
of Fort Bend	Little
Baker of Grayson	Loggins
Blankenship	London
Bond	McAlister
Boyer	McDaniel
Bradford	McDonald
Bray	McFarland
Broadfoot	McMurry
Brown of Cherokee	Monkhouse
Brown	Newell
of Nacogdoches	Nicholson
Bundy	Pace
Burkett	Petsch
Celaya	Pevehouse
Chambers	Ragsdale
Clark	Reader of Bexar
Cleveland	Reed
Colquitt	Rhodes
Colson, Mrs.	Riviere
Corry	Roach
Crossley	Robinson
Daniel	Schuenemann
Dean	Segrist
Donaghey	Shell
Felty	Smith of Hopkins
Ferguson	Smith
Fielden	of Matagorda
Goodman	Spencer
Hamilton	Stinson
Hankamer	Tarwater
Hardin	Taylor
Harp	Tennant
Harper	Thornton
Hartzog	Vale
Howard	Voigt
Hull	Waggoner
Hunt	Worley
Johnson of Ellis	Wright

	Absent
Cockrell	Heflin
Dwyer	Piner
Harris	Pope

## Absent—Excused

Kennedy

Question then recurring on the substitute amendment by Mr. Boyer, yeas and nays were demanded.

The amendment was adopted by the following vote:

## Yeas—99

Allison	Hull
Alsup	Hunt
Bailey	Johnson of Ellis
Baker	Johnson of Tarrant
of Fort Bend	Kinard
Baker of Grayson	King
Blankenship	Lehman
Bond	Leyendecker
Boyer	Little
Bradbury	Loggins
Bradford	London
Bray	McAlister
Broadfoot	McDaniel
Brown of Cherokee	McDonald
Brown	McFarland
of Nacogdoches	McMurry
Bundy	Monkhouse
Burkett	Newell
Celaya	Nicholson
Chambers	Oliver
Clark	Olsen
Cleveland	Pace
Cockrell	Petsch
Coleman	Pevehouse
Colquitt	Piner
Colson, Mrs.	Ragsdale
Corry	Reader of Bexar
Crossley	Reaves
Daniel	Reed
Davis of Jasper	Rhodes
Dean	Riviere
Donaghey	Roach
Faulkner	Roberts
Felty	Robinson
Ferguson	Schuenemann
Fielden	Segrist
Goodman	Shell
Hamilton	Smith of Hopkins
Hankamer	Smith
Hardin	of Matagorda
Harp	Spencer
Harper	Stinson
Harris	Talbert
Hartzog	Tarwater
Heflin	Tennant
Holland	Thornton
Howard	Turner

Vale	Winfree
Voigt	Wood
Waggoner	Worley
Westbrook	Wright

## Nays—45

Allen	Keith
Anderson	Kern
Bell	Kerr
Boyd	Kersey
Bridgers	Langdon
Burney	Lock
Cauthorn	Mays
Cornett	McNamara
Davis of Upshur	Mohrmann
Derden	Montgomery
Dickison	Morris
Dickson	Reader of Erath
Dowell	Russell
Fuchs	Skiles
Galbreath	Smith of Frio
Gilmer	Stoll
Gordon, Mrs.	Thornberry
Hale	Vint
Hardeman	Weldon
Harrell of Bastrop	Wells
Harrell of Lamar	White
Howington	Wilson
Isaacks	

## Absent

Dwyer	Taylor
Pope	

## Absent—Excused

Kennedy

## REASON FOR VOTE

I voted "yea," on substitute amendment because it is an increase on natural resource tax and because it is reasonable and will raise money for old age pensions in an equitable manner.

## SPENCER.

Mr. Boyer moved to reconsider the vote by which the substitute amendment was adopted, and to table the motion to reconsider.

The motion to table prevailed.

Question then recurring on the amendment by Mr. Mays, as substituted, it was adopted.

Mr. Little moved to reconsider the vote by which the amendment, as substituted, was adopted, and to table the motion to reconsider.

The motion to table prevailed.

Mr. McDaniel offered the following substitute amendment for committee amendment No. 1:

Substitute for amendment to House Joint Resolution No. 16, by striking

out all below the resolving clause and inserting in lieu thereof the following:

Section 1. That Section 51-b of Article III of the Constitution of the State of Texas be amended so as to hereafter read as follows:

"Section 51-b. The Legislature shall have the power by general laws to provide for the payment of old age assistance, subject however to the following provisions and limitations:

(1) No one shall be eligible to receive old age assistance who is, (a) an habitual criminal or habitual drunkard; (b) who is an inmate of a State institution; (c) who has not been an actual resident of the State of Texas for at least five (5) years immediately preceding the application for old age assistance; (d) nor shall any person be eligible for old age assistance unless such person be sixty-five (65) years of age or older.

(2) The amount of assistance granted by the State to be paid out of State funds shall never exceed Fifteen (\$15) Dollars per month to each person who is otherwise qualified to receive such assistance.

(3) Old age assistance shall never be paid except to persons who are in need and who are otherwise qualified to receive such assistance.

(4) The term "need" as used in Subsection 3 above is hereby defined to mean: A person who does not have an income of Thirty (\$30) Dollars per month from the combined sources of his own labor, personal property and real property. And the amount of old age assistance granted by the State shall in each case be prorated equal to all who are eligible, but in no case to exceed Fifteen (\$15) Dollars per month, to be paid out of the State funds, together with any amount which may be granted by the Federal Government.

(5) The provisions hereof providing for old age assistance shall not be construed as a vested right in the recipient of old age assistance, and all assistance granted under the provisions hereof shall be deemed to be granted and shall be held subject to the provisions of any amendments to this Constitution and such amendatory or repealing Acts as may be hereafter enacted by the Legislature, and no recipient of old age assistance shall have any claim for compensation or otherwise by reason of such assistance being affected in any way

by any such amendatory or repealing acts.

(6) The Legislature shall have the authority to accept from the Government of the United States such financial aid for old age assistance as that Government may offer not inconsistent with the limitations and provisions provided in this amendment.

(7) There is hereby levied and shall be collected a tax of one-half of one (.005%) per cent on the amount of the actual value passing from one person to another, on all services, commodity, tangible or intangible, under or by virtue of or in connection with each and every transaction as hereinafter defined, taking place between two or more persons, and which tax shall not be added to the value passing by the transaction, but shall be paid by the seller at the end of each calendar month. Said tax shall be known and referred to as "Transaction Tax."

(8) The word "value" wherever used in this Act shall mean:

(a) As applied to professional, business, personal, rentals, mechanical, industrial, commercial, engineering, scientific, publicity, agricultural, horticultural, livestock, poultry, dairy products, or other services of whatsoever kind or nature, done or performed, "value" shall mean the amount charged, or contracted to be paid for such services, either in money and/or property, and as to any such property the value thereof shall be determined as provided in part (b) or Subsection (8) of this Section.

(b) As applied to tangible or intangible property or any right, title, interest, right of enjoyment or right of possession therein, "value" shall mean the actual fair market value thereof in the locality where any transaction with respect thereto takes place, if such property or right or interest therein has a market value; provided, that if such property or right or interest has no market value in the locality where the transaction with respect thereto takes place, then the intrinsic worth of such property, or any right or interest therein shall be the value thereof; provided further, that if the parties to any transaction other than transactions involving services, shall have agreed upon the fair price or value of the property, or right or interest therein passing by such transaction, then such agreed

price or value shall be the value of the property or right or interest therein so passing by such transaction, provided such agreed price or value shall represent the actual fair value of the property or right or interest therein, and such transaction is wholly bona fide, and the value passing by the transactions has not been so fixed and agreed upon for the purpose of evading the payment of any transaction tax under the provisions of this amendment.

(9) The word "person," as used herein shall mean any individual, firm, co-partnership, corporation, association, joint adventure, agent, trustee, receiver, or any other group or combination acting as a unit, and the plural as well as the singular number unless the intention to give it more limited meaning is clearly disclosed by the context.

(10) The word "transaction" as used herein shall mean and constitute any dealings of every kind whatsoever between two (2) or more persons as defined in Subsection nine (9) of this Section, wherein or whereby professional, business, personal, rentals, mechanical, industrial, commercial, engineering, scientific, publicity, agricultural, horticultural, livestock, poultry, dairy products, or other services of whatsoever kind or nature are done or performed, or wherein or whereby any right, title, interest, estate, right, of enjoyment, or right of possession in or to any tangible or intangible property of any description passes, or is, or may be fixed, determined, changed, exchanged, effected, modified, increased, diminished or affected.

(11) The enumeration herein of transactions which are subject to the tax imposed herein shall not be deemed to exclude other taxable transactions not included in such enumeration.

(12) All transactions shall be subject to said tax except that the following transactions shall be exempt from all of the provisions hereof: (a) street sales of newspapers; (b) transactions consisting of sales, subscriptions and donations made to bona fide unemployment relief associations, bona fide charitable organizations and the Salvation Army, operating exclusively for the benefit and welfare of the community where located, and each of which organizations dispenses to charity not less than seventy-five (75%)

per cent of its gross revenues; (c) bona fide church and religious organizations, bona fide unincorporated cemetery associations operated without profit for the exclusive benefit of its members, bona fide labor organizations, and bona fide business leagues, chambers of commerce operating exclusively for the benefit of the community where located, and each of such organizations and associations shall not be required to pay any tax on transactions under the provisions hereof, provided such organization or association is not organized for profit, and no part of the income of such organization or association inures to the benefit of any individual; (d) the mere act of cashing, honoring or certifying a check or depositing money or funds in a bank authorized by law to transact a banking business, or depositing money or funds in escrow, when taken alone; (e) transactions between the State of Texas and foreign countries and nations; (f) transactions between the State of Texas and other States of the United States of America; (g) transactions based upon interest and other earnings paid upon bonds as issued by the United States of America, to the extent, and to the extent only that the State of Texas is prohibited by the Constitution of the United States of America from taxing such transactions; (h) transactions based upon pensions and other emoluments received from the United States of America, to the extent only that the State of Texas is prohibited by the Constitution of the United States of America from taxing such transactions; (i) transactions involving receipt of taxes, forfeitures, fines, costs, cost deposits and fees received by any officer or agent of the Government of the United States of America, to the extent, and to the extent only that the State of Texas is prohibited by the Constitution of the United States of America from taxing such transactions; (j) transactions based upon interstate commerce, to the extent, and to the extent only that the State of Texas, is prohibited by the Constitution of the United States of America from taxing such transactions; (k) all transactions similar to the exempted transactions set forth in this Subsection as (f), (g), (h), (i) and (j) shall be exempt from said transaction tax, to the extent and to the extent only that the State of Texas is prohibited by the

Constitution of the United States of America from taxing such transactions; (1) transactions where the taxpayer is involved in the transaction as an officer or agent collecting taxes, fees, forfeitures, fines and costs for the State of Texas or for any political subdivision of the State of Texas.

(13) The production or sale of any natural resource of this State shall be subject to this transaction tax based on the value of such sales.

(14) The Comptroller of Public Accounts of this State shall collect all transaction taxes levied herein and pay the same to the State Treasurer of this State. All of the proceeds of the transaction tax herein levied shall as received by the State Treasurer from the Comptroller of Public Accounts, be by the State Treasurer credited to the Texas Old Age Assistance Fund.

(15) Between January 1, 1940 and July 1, 1940, the State Treasurer shall transfer from the Texas Old Age Assistance Fund to the said Destitute Children's Assistance Fund the sum of One Million, Five Hundred Thousand (\$1,500,000) Dollars to meet the obligation of this State as authorized by Section 51-d of Article III of the Constitution of this State, and annually thereafter said State Treasurer shall during the first six (6) months of each year transfer from said Texas Old Age Assistance Fund to said Destitute Children's Assistance Fund such an amount, not to exceed One Million, Five Hundred Thousand (\$1,500,000) Dollars as may be necessary, together with any money or funds remaining in such Destitute Children's Assistance Fund to meet legislative appropriations authorized for such purposes. Such fund, or so much thereof as may be necessary shall be used exclusively for the payment of assistance to destitute children, and the State's portion of the cost of administering said funds.

(16) Between January 1, 1940, and July 1, 1940, the State Treasurer shall transfer from the Texas Old Age Assistance Fund, to the said Teachers Retirement Fund, an amount adequate to meet the obligations of this State which have accrued during the period beginning January 1, 1939, and ending January 1, 1940, as provided for in Section 48a of Article III of the Constitution of this State, and annually thereafter said State Treas-

urer shall during the first six (6) months of each year, transfer from said Texas Old Age Assistance Fund, to said Teachers Retirement Fund such an amount as may be necessary to meet the obligations of the State as provided for in such Section 48a of Article III of the Constitution of this State. Such fund, or so much thereof as may be necessary, shall be used exclusively for the payment of teachers retirement pensions, and the State's portion of the cost of administering such funds.

(17) All of the proceeds of the transaction tax herein levied save and except such of said proceeds as shall be credited to Destitute Childrens Assistance Fund as provided in Subsection (15) of this Section, and to the Teachers Retirement Fund as provided in Subsection (16) of this Section, shall be used exclusively for the payment of old age assistance and the cost of collecting said tax and the administering of old age assistance; provided that at least thirty (30) days prior to the convening of such regular biennial session of the Legislature, beginning with such regular biennial session in the year of 1941, the State Treasurer of this State shall examine the condition of the Texas Old Age Assistance Fund, and when after meeting all obligations for the preceding biennium, it is found by him that a surplus of as much as twenty-five (25) per cent of the cost of meeting such obligations during the previous biennium has accumulated, then, in that event such surplus in excess of twenty-five (25) per cent shall be transferred by said State Treasurer to the credit of the General Fund of the State without any action by the Legislature directing such transfer.

(18) If after the State Treasurer has transferred and credited to, the Destitute Childrens Assistance Fund, and Teachers Retirement Fund the respective amounts required to be transferred and credited to such respective funds, it appears that the revenue remaining will not be adequate to pay in full all grants made to recipients of old age assistance, then, in that event the revenue remaining shall be paid pro rata to such recipients of old age assistance based on the amount granted to each recipient, and the amounts thereafter paid for old age assistance shall con-

tinue on this same basis until it shall appear that the annual revenue will warrant payment on the higher basis.

(19) The transaction tax herein levied is in addition to all other taxes that now are or may hereafter be levied by law.

(20) No county, city or other political subdivision of this State shall have any power or authority to assess or levy any transaction tax.

(21) The Legislature shall have the power by General Laws to provide for the administration of all of the provisions contained in this amendment, and for the collection of all taxes herein levied."

(22) Any Act or Acts which may be passed by the Legislature of this State in anticipation of the adoption of the foregoing amendment to the Constitution of this State shall not be invalid by reason of the anticipatory character of such Act or Acts.

(23) Said proposed constitutional amendment shall be submitted to a vote of the qualified electors of this State at a special election to be held throughout the State on the first Saturday in June, 1939, at which election all votes favoring such proposed amendment shall write or have printed on their ballots the words:

"For the Amendment to the State Constitution providing a system of old age assistance, and levying a transaction tax for the payment of such old age assistance, and providing a source of payment for destitute childrens assistance and teachers retirement pensions."

And all those opposed shall write or have printed on their ballots the words:

"Against the Amendment to the State Constitution providing a system of old age assistance, and levying a transaction tax for the payment of such old age assistance, and providing a source of payment for destitute childrens assistance and teachers retirement pensions."

(24) The Governor of the State of Texas is hereby directed to issue the necessary proclamation for said election and have same published as required by the Constitution and laws of this State.

The sum of Ten Thousand (\$10,000.00) Dollars or so much thereof

as may be necessary is hereby appropriated out of any funds in the Treasury of this State not otherwise appropriated to pay the expense of such publication and election.

Question — Shall the substitute amendment by Mr. McDaniel, for committee amendment No. 1, be adopted?

#### MESSAGE FROM THE SENATE

Austin, Texas, March 14, 1939.  
Hon. R. Emmett Morse, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that

S. B. No. 150, A bill to be entitled "An Act amending Chapter 206 of the Acts of the Regular Session of the Forty-second Legislature, same being House Bill No. 768; creating and providing a uniform budget system for the State, etc., and declaring an emergency."

Failed to pass by the following vote: Yeas, 12; Nays, 18.

Respectfully,

BOB BARKER,

Secretary of the Senate.

(Speaker in the Chair.)

#### SPECIAL COMMITTEES APPOINTED

In accordance with the provisions of House Simple Resolution No. 169, the Speaker announced the appointment of the following Committee to investigate school lobbying activities: Messrs. Hull, Harrell of Lamar and Smith of Frio.

In accordance with the provisions of House Simple Resolution No. 164, to attend National Conference on Interstate Trade Barriers, the Speaker announced the appointment of Mr. Harris.

In accordance with the provisions of House Concurrent Resolution No. 32, to investigate Prison System, the Speaker announced the appointment of the following committee: Messrs. Bond, Boyer and Harrell of Bastrop.

#### COMMUNICATION FROM HON. ERNEST O. THOMPSON

On motion of Mr. Bradbury, by unanimous consent of the House, the following communication from Hon.

Ernest O. Thompson was ordered printed in the Journal:

Railroad Commission of Texas  
Austin

March 13, 1939.

Hon. Bryan Bradbury, Member House  
of Representatives,  
Austin, Texas.

Dear Friend:

I wish to express to you my gratitude, and through you, to the House of Representatives, for your splendid help in the passage of the resolution touching on differentials in freight rates.

This resolution was carried by me to Washington and was presented to the Interstate Commerce Committee of the Senate of the United States, and to the Interstate and Foreign Commerce Committee of the House of Representatives of the United States, and I believe that the resolution helped to impress upon the Members of Congress that the State of Texas was seriously in earnest about getting rid of these discriminations in freight rates.

Attached hereto is an excerpt from the statement which I made and I thought it might be of interest to you.

It seems to me that we made real headway. Particularly in view of the fact that the Interstate Commerce Commission itself, on the second day of the hearing before the Senate Interstate Commerce Committee, came out with a report which was an outgrowth of the complaint brought by the Governors of the Southern States attacking the Interterritorial Rates, and asking for equalized rates comparable with those in the North. The report, which was made by Commissioner Lee of the Interstate Commerce Commission, recommended rates on a variety of manufactured products moving from the South to the North, the rates to be no higher than those applying within the North or from the North to the South.

This report, in part, said:

"The desirability of rate structures providing reasonably uniform rates on like articles which are or may be produced in different sections of the country from such sections to common markets, is not open to serious question. The maintenance on such articles of rates reflecting territorial differences in rate levels, thereby

creating rate walls along the border of rate territories, tends to prevent a nationwide development of industry and is not conducive to the promotion of the best interests of either the carriers as a whole or the country as a whole."

This report shows conclusively to me that the Interstate Commerce Commission has become keenly aware and alive to this situation, and I believe it can be pushed to a successful conclusion.

Freight rates are filed with the Interstate Commerce Commission and are subject to attack for reparation by those who think they are too high, but this problem is so broad that in my opinion the Interstate Commerce Commission itself should make the investigation and reopen the Southern and Southwestern cases with a view of taking off the discriminations.

Commissioner Lee, by this report, indicated that he is in favor of making these changes.

There has been appointed to the Interstate Commerce Commission by the President, the Honorable James Haden Alldredge, who was the Principal Transportation Economist for the Tennessee Valley Authority, and in this report Mr. Alldredge shows that Texas and the Southwest have the highest freight rates in the Nation on class rates.

While it is true that the railroads have, in Texas, made favorable freight rates on many commodities, I think it incumbent upon the rails of Texas to show that they are in sympathy with this movement by promptly filing with the Interstate Commerce Commission class rates on goods from Texas to the North that are comparable with the rates in official territory, which is that zone east of the Mississippi and north of the Ohio Rivers.

This Mr. Alldredge, who made this report, as I have stated before, has been appointed to the Interstate Commerce Commission, and I certainly hope he will be approved by the Senate of the United States and if he does he will certainly join Commissioner Lee. Since Chairman Splawn comes from Texas, I feel that we may be able to rely upon him to see that Texas gets a fair deal. Commissioner Eastman has indicated in several statements he has made that he recognized this injustice.

It strikes me that now, when the rails are asking for various kinds of relief from the government, it would be most proper and fitting for the railroads of Texas to lead the way and show that they are willing to give Texas a chance to expand and grow industrially by here and now promptly filing with the Interstate Commerce Commission a revised schedule of rates that will compare with the rates now in effect in official territory. This will show that they are ready to haul the business that new industries in Texas will furnish. It is not enough for the rails to say, "you get us the business and we will make the rates." Rather, they should say, "here are the rates, now go build your plants and use the raw materials in Texas to manufacture articles which we can ship to the North."

The Federal law contains no provision which directly controls discrimination in the interstate freight rate structures affecting regions or territories that are served by separate groups of railroads. This omission is possibly due to the fact that when the original law was passed, commerce was principally local or intraterritorial in character. Profound changes have taken place, however, in the last fifty years.

It strikes me that the rails of Texas can come forward and show that they are willing to file with the Interstate Commerce Commission a schedule of rates that will obviate and eliminate this discrimination. If they do this it is almost certain that they will be approved by the Interstate Commerce Commission.

The rails claim that the trucks are taking business away from them. Here is a chance for the rails to show to the people of Texas that they are willing to haul their goods as cheaply North-bound as they will haul them South-bound.

It is my opinion that if the rails of Texas will file revised class rates, comparable to the rates in official territory, with the Interstate Commerce Commission, a great forward step will have been taken.

The rails answer that nothing moves by class rates. Then, if that be true, no harm can come to them by removing this so-called paper difference in the rates structure.

What actually happens is that goods move on percentages of class

rates. Thus it is important that our rails which serve Texas and the Southwest show some disposition to remove these rank discriminations and barriers which hold back Texas' industrial development.

I can not close this letter without expressing my gratitude to Senator Connally, who was with me the whole time that I was appearing before the Senate Committee. Senator Connally sat through the entire hearing and asked many questions. He has a bill before the Senate on this subject.

Every Member of the Texas Delegation in the House of Representatives showed me every courtesy, and they are all keenly alive to the need for this remedial action in freight rates.

I have just received a letter from Senator Sheppard, in which he states that he is preparing to make a speech before the Senate, or the Committee, on this subject.

So, the Texans at Washington in Congress are actively and keenly alive to the necessity of action on this question.

The Senate and House of Representatives of Texas, and the Governor of Texas, through his telegram to me which was read before both Committees in Washington, are all actively working toward a solution of this problem, and I believe we should push it with all our vigor.

My thought is that we can get the most work done by asking the railroads of Texas to promptly indicate whether or not they will file with the Interstate Commerce Commission rates in conformity to those rates in effect in official territory. If the rails will file these reduced rates our problem will doubtless be solved and solved promptly.

Yours very truly,

ERNEST O. THOMPSON.

#### MESSAGE FROM THE SENATE

Austin, Texas, March 14, 1939.  
Hon. R. Emmett Morse, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House the Senate has passed the following:

H. C. R. No. 59, Authorizing the Enrolling Clerk of the House to correct House Bill No. 379.

H. C. R. No. 60, Authorizing the Enrolling Clerk to amend the caption



of House Concurrent Resolution No. 59.

Respectfully,  
BOB BARKER,  
Secretary of the Senate.

**BILL AND RESOLUTION SIGNED  
BY THE SPEAKER**

The Speaker signed, in the presence of the House, after giving due notice thereof and their captions had been read severally, the following enrolled bill and resolution:

H. C. R. No. 32, Providing for the appointment of a committee to investigate the Prison System of Texas.

H. B. No. 500, "An Act amending Chapter 33 of the Local and Special Laws of the Thirty-sixth Legislature of Texas, Regular Session, as amended by Chapter 7 of the Local and Special Laws of the Thirty-sixth Legislature of Texas, Second Called Session, by adding thereto Sections 30a and 30b, providing that the Commissioners' Court of Hill County, Texas, may authorize and issue refunding bonds of said County for the purpose of funding certain scrip warrants outstanding against its Road and Bridge Fund as of February 15, 1939, and setting forth the method of issuing same; validating all acts of the Commissioners' Court and of the County officials of said County in authorizing, issuing and delivering said warrants, providing that the General Laws pertaining to roads and bridges shall be applicable to said County when not in conflict herewith; repealing all laws and parts of laws in conflict herewith, enacting provisions incident to and relating to the subject and purpose of this Act, and declaring an emergency."

**HOUSE BILLS ON FIRST READING**

The following House bill, introduced today, was laid before the House, read first time, and referred to the appropriate committee, as follows:

By Mr. Ferguson:

H. B. No. 857, A bill to be entitled "An Act providing a method of consolidating school districts in all counties with a population of not less than thirty-two thousand, four hundred (32,400), and not more than thirty-two thousand, eight hundred (32,800), according to the last pre-

ceding Federal Census, and limiting the authority of the County Board of Education of said counties; providing that common school districts may not be annexed to, or consolidated with an independent or a common school district without the consent of a majority of the qualified voters of such common school district, or districts, by a separate vote of the several districts involved; providing that where, under any former law, a common school district, or districts have been annexed to or consolidated with an independent or common school district by the County Board of Education, that such district or districts, so consolidated or annexed may withdraw from such consolidated district by a majority vote of the district wishing to withdraw; providing that none of the authority contained herein shall apply to annexation or consolidation prior to March 6, 1939, or since March 13, 1939, and providing authority contained herein shall be granted to districts annexed between these dates, and declaring an emergency."

Referred to the Committee on School Districts.

Mr. McFarland asked unanimous consent, to introduce, at this time, and have placed on first reading, House Bill No. 858.

There was no objection offered.

The Speaker then laid the bill before the House, it was read first time, and referred to the appropriate committee, as follows:

By Mr. McFarland, Mr. Chambers, Mr. Howington and Mr. Roach:

H. B. No. 858, A bill to be entitled "An Act making provisions for the enforcement of tax liens of counties, State, cities, towns, districts and all subdivisions of the Government with taxing power, where taxes are unpaid and delinquent on real property by eliminating the foreclosure thereof by suits in court, by providing for notice, advertisement, sale, execution and delivery of deed by collector, effect of deed, defense, redemption fees, costs, disposition of pending suits; making the same applicable to all existing delinquencies for the years 1920 to 1938, inclusive; foreclosure suits in court applicable only for the year 1920 and prior thereto, constituting the State Tax Board as agency to determine instances where prop-

erty adjudicated to the State should be relinquished and not sold; providing a system of tax liens and foreclosure thereof by transferee; repealing all laws and parts of laws in conflict herewith, and declaring an emergency."

Referred to the Committee on Revenue and Taxation.

Mr. Fuchs asked unanimous consent, to introduce, at this time, and have placed on first reading, House Bill No. 859.

There was no objection offered.

The Speaker then laid the bill before the House, it was read first time, and referred to the appropriate committee, as follows:

By Mr. Fuchs and Mr. Reader of Bexar:

H. B. No. 859, A bill to be entitled "An Act providing duties of Veterinarian Live Stock Sanitary Commission and reports thereon regarding rabies of dogs and other canines, providing for quarantine upon all dogs within the area infected, providing rules for detention of such dogs and canines, providing length of time of such detention, providing for immunization of such dogs and canines by representatives of the Live Stock Sanitary Commission, providing for release from said quarantine, providing area to be quarantined, providing time when release from quarantine becomes effective, providing for identification of such animals, providing for duties of County Commissioners Court relative to designated powers of such Courts relative to quarantine, providing exceptions thereto in cities and towns having ordinances for immunizations of such dogs and canines, providing fee to be paid for immunization and vaccination, providing for pounds for the detention for such dogs and canines, providing for collection of impounding fees, providing for tax and penal fines which may be imposed by courts, providing for length of time impounding dogs and canines infected with rabies, providing for execution of such dogs and canines, providing method of releasing such dogs and canines, providing those authorized to administer vaccines in such cases, providing penalties for violating any provision of this Act and affixing penalty therefor, providing for certain duties of city health officers and Commission-

ers Courts in cooperation under said Act, providing Live Stock Sanitary Commission may take over the enforcement of the Act in certain cases, providing that said Act shall be cumulative of all laws now in effect except wherein there is conflict, and declaring an emergency."

Referred to the Committee on Public Health.

Mr. Ragsdale asked unanimous consent, to introduce, at this time, and have placed on first reading, House Bill No. 860.

There was no objection offered.

The Speaker then laid the bill before the House, it was read first time, and referred to the appropriate committee, as follows:

By Mr. Ragsdale:

H. B. No. 860, A bill to be entitled "An Act amending Section 9, of Chapter 42, General Laws of the State of Texas, Second Called Session of the Forty-first Legislature, as amended by Section 10, of Chapter 282, Regular Session of the Forty-second Legislature, General Laws, by adding a new Section to be known as Section 9a; providing for lighted flares to be placed upon highways during a certain period by commercial motor vehicles, truck tractors, trailers, or semi-trailers, or motor bus or wreckers, or any vehicle; providing a penalty, and declaring an emergency."

Referred to the Committee on Highways and Motor Traffic.

Mr. Crossley asked unanimous consent, to introduce, at this time, and have placed on first reading, House Bill No. 861.

There was no objection offered.

The Speaker then laid the bill before the House, it was read first time, and referred to the appropriate committee, as follows:

By Mr. Crossley, Mr. Kersey and Mr. Burkett:

H. B. No. 861, A bill to be entitled "An Act prescribing punishment and fixing penalties for violations of any of the provisions of Title 8, Chapter 8, Articles 432, 434, 435, and 436 of the Penal Code of the State of Texas, 1925, and declaring an emergency."

Referred to the Committee on Criminal Jurisprudence.

PROVIDING FOR THE CONSIDERATION OF HOUSE JOINT RESOLUTION NO. 16

Mr. Blankenship moved that the necessary Rules be suspended, and that House Joint Resolution No. 16 be considered, and have precedence over the special order now pending, and also that same be ahead of any other House bills, when same is reached on Tuesday's calendar.

The motion prevailed.

RECESS

Mr. Bell moved that the House adjourn until 10:00 o'clock a. m., tomorrow.

Mr. Hardin moved that the House recess until 2:00 o'clock p. m., today.

Mr. Reader of Erath moved that the House recess until 2:30 o'clock p. m., today.

The motion of Mr. Reader of Erath prevailed, and the House, accordingly, at 12:40 o'clock p. m., took recess until 2:30 o'clock p. m., today.

AFTERNOON SESSION

The House met at 2:30 o'clock p. m., and was called to order by the Speaker.

MESSAGE FROM THE SENATE

Austin, Texas, March 14, 1939.  
Hon. R. Emmett Morse, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House the Senate has passed the following:

S. B. No. 271, A bill to be entitled "An Act creating an additional District Court in Harris County, Texas, to be known as the 127th District Court, etc., and declaring an emergency."

Respectfully,

BOB BARKER,

Secretary of the Senate.

CONSIDERATION OF HOUSE JOINT RESOLUTION NO. 16

The House resumed consideration of pending business, same being House Joint Resolution No. 16, Providing for certain Constitutional Amendment in regard to the levying of certain taxes for the purpose of paying old age

assistance, etc., with committee amendment offered by Mr. Petsch, and substitute amendment by Mr. McDaniel, for the amendment by Mr. Petsch, pending.

(Mr Leonard in the Chair.)

(Pending consideration of the amendment by Mr. McDaniel, Mr. Harris occupied the Chair, temporarily.)

(Mr. Leonard in the Chair.)

Mr. Davis of Upshur moved to table the substitute amendment by Mr. McDaniel.

The motion to table prevailed.

Mr. Smith of Matagorda offered the following amendment to committee amendment No. 1:

Amend committee amendment No. 1 to House Joint Resolution No. 16, page 8, Section 19, by adding the following to the end of the Section: "Nor shall any city or county be denied the right to levy such occupation taxes as are now authorized under the Constitution on peddlers, itinerant merchants, pawnbrokers, places of amusement, and athletic contests, and as may hereafter be permitted or provided by law on the hereinbefore named occupations."

The amendment was adopted.

Mr. Cornett offered the following amendment to committee amendment No. 1:

Amend committee amendment No. 1 of House Joint Resolution No. 16, by striking out Section 6 and inserting in lieu thereof the following:

"Sec. 6. In order to provide the revenues for the purposes set out in this amendment, taxes to be known and designated as Social Security taxes are hereby levied upon the net incomes of natural persons and corporations as follows:

"(a) A graduated tax of not less than one per cent (1%) nor more than four per cent (4%) on natural persons. Such tax shall never be more than three per cent (3%) on net income of less than Five Thousand (\$5,000) Dollars.

"(b) No tax shall be levied on net incomes of less than One Thousand (\$1,000) Dollars a single person, nor less than Two Thousand (\$2,000) Dollars for married persons. Four Hundred (\$400) Dollars shall be allowed as deduction for each dependent before the tax is levied.

"(c) A flat rate of not more than four per cent (4%) shall be levied upon the net income of all corporations doing business within this State or from that portion of the net income of foreign corporations which is derived from within Texas not inconsistent with the Constitution of the United States.

"(d) The term 'net income' shall be defined as established accounting practices would define it.

"(e) No income tax shall be paid on dividends from corporations when the income tax has been paid by the corporation on such dividends."

CORNETT,  
HARRIS.

(Pending consideration of the amendment, Mr. Little occupied the Chair temporarily.)

(Mr. Leonard in the Chair.)

Mr. Broadfoot moved to table the amendment by Mr. Cornett.

Question recurring on the motion to table, yeas and nays were demanded.

The roll of the House was called and the vote announced as follows: Yeas, 74; Nays, 70.

A verification of the vote was requested.

Mr. Davis of Jasper moved a call of the House, pending the verification, and the call was duly ordered.

On motion of Mr. Fielden, the Sergeant-at-Arms was instructed to bring in all absent Members within the city who are not ill.

The roll of the "yeas" and "nays" was again called and the verified vote resulted as follows:

#### Yeas—70

Alsup	Corry
Blankenship	Crossley
Boyer	Daniel
Bradford	Dickison
Bray	Dickson
Bridgers	Donaghey
Broadfoot	Dwyer
Brown of Cherokee	Felty
Bundy	Fielden
Burkett	Gilmer
Cauthorn	Hamilton
Celaya	Hankamer
Clark	Hardin
Cleveland	Harper
Coleman	Harrell of Lamar
Colquitt	Hartzog
Colson, Mrs.	Heflin

Howard	Petsch
Hull	Pope
Johnson of Ellis	Reader of Bexar
Johnson of Tarrant	Reed
Kinard	Rhodes
Leyendecker	Riviere
Little	Schuenemann
Loggins	Segrist
McAlister	Shell
McDaniel	Stinson
McDonald	Taylor
McFarland	Thornton
McMurry	Vale
McNamara	Voigt
Monkhouse	Waggoner
Nicholson	Wilson
Olsen	Wood
Pace	Wright

#### Nays—72

Allen	King
Bailey	Langdon
Baker	Lehman
of Fort Bend	Lock
Baker of Grayson	London
Bell	Mays
Bond	Mohrmann
Boyd	Morris
Bradbury	Newell
Brown	Oliver
of Nacogdoches	Pevehouse
Burney	Piner
Chambers	Reader of Erath
Cockrell	Reaves
Cornett	Roach
Davis of Jasper	Roberts
Davis of Upshur	Robinson
Derden	Russell
Dowell	Skiles
Faulkner	Smith of Frio
Ferguson	Smith of Hopkins
Fuchs	Smith
Galbreath	of Matagorda
Goodman	Spencer
Gordon, Mrs.	Stoll
Hale	Talbert
Hardeman	Tarwater
Harp	Tennant
Harrell of Bastrop	Thornberry
Harris	Turner
Holland	Vint
Howington	Weldon
Hunt	Wells
Isaacks	Westbrook
Keith	White
Kern	Winfree
Kerr	Worley
Kersey	

#### Absent

Allison	Montgomery
Anderson	Ragsdale
Dean	

## Absent—Excused

Kennedy

The Chair announced that the motion to table the amendment by Mr. Cornett was lost.

## REASON FOR VOTE

The reason I voted "yea" on the motion to table the Cornett amendment was because the amendment struck out all of the natural resource tax, and his amendment, stripped of tax on natural resources, will not raise sufficient revenue to finance old age assistance and the other forms of social security.

## BROWN of Cherokee.

Mr. Derden offered the following amendment to the amendment by Mr. Cornett:

Amend Cornett and Harris amendment to committee amendment No. 1 of House Joint Resolution No. 16, by adding after the word "out," and before the word "Section," in line two, the following: "Subsections (a), (b), (c), (d) and (e) of."

Mr. Petsch moved to table the amendment by Mr. Derden to the amendment.

(Speaker in the Chair.)

Question recurring on the motion to table, yeas and nays were demanded.

The motion to table was lost by the following vote:

## Yeas—59

Anderson	Goodman
Blankenship	Hankamer
Bond	Hardin
Boyer	Harper
Bradford	Harrell of Lamar
Bray	Hartzog
Broadfoot	Howard
Bundy	Hull
Burkett	Johnson of Tarrant
Celaya	Kersey
Clark	Kinard
Cleveland	Leonard
Colquitt	Little
Colson, Mrs.	McAlister
Corry	McDaniel
Crossley	McDonald
Daniel	McFarland
Dickson	McMurry
Donaghey	Monkhouse
Dwyer	Nicholson
Felty	Olsen
Fielden	Petsch
Gilmer	Pevehouse

Reader of Bexar

Reed

Rhodes

Schuenemann

Segrist

Shell

Smith

of Matagorda

Stinson

Taylor

Thornton

Vale

Waggoner

Wood

## Nays—85

Allen	Langdon
Alsup	Lehman
Bailey	Leyendecker
Baker	Lock
of Fort Bend	Loggins
Baker of Grayson	London
Bell	Mays
Boyd	McNamara
Bradbury	Mohrmann
Bridgers	Montgomery
Brown of Cherokee	Morris
Brown	Newell
of Nacogdoches	Oliver
Burney	Pace
Cauthorn	Piner
Chambers	Ragsdale
Cockrell	Reader of Erath
Coleman	Reaves
Cornett	Riviere
Davis of Jasper	Roach
Davis of Upshur	Roberts
Derden	Robinson
Dickison	Russell
Dowell	Skiles
Faulkner	Smith of Frio
Ferguson	Smith of Hopkins
Fuchs	Spencer
Galbreath	Stoll
Gordon, Mrs.	Talbert
Hale	Tarwater
Hamilton	Tennant
Hardeman	Thornberry
Harp	Turner
Harrell of Bastrop	Vint
Harris	Voigt
Holland	Weldon
Howington	Wells
Hunt	Westbrook
Isaacks	White
Johnson of Ellis	Wilson
Keith	Winfree
Kern	Worley
Kerr	Wright
King	

## Absent

Allison

Heflin

Dean

Pope

## Absent—Excused

Kennedy

Question then recurring on the amendment by Mr. Derden, to the

amendment by Mr. Cornett, it was adopted.

Mr. Keith moved the previous question on the amendment by Mr. Cornett and the motion was seconded.

Question recurring on the motion for the main question, yeas and nays were demanded.

The roll of the House was called and the vote announced, as follows:—Yeas, 73; Nays, 71.

A verification of the vote was requested.

The roll of the "yeas and "nays" was again called and the verified vote resulted, as follow:

#### Yeas—71

Allen	Kerr
Allison	King
Bailey	Langdon
Baker of Grayson	Leyendecker
Bell	Lock
Boyd	London
Bradbury	Mays
Brown	McDaniel
of Nacogdoches	McNamara
Burney	Mohrmann
Cauthorn	Monkhouse
Chambers	Morris
Cockrell	Newell
Coleman	Oliver
Cornett	Petsch
Davis of Jasper	Piner
Davis of Upshur	Reader of Bexar
Derden	Reader of Erath
Dickson	Reaves
Dowell	Roach
Dwyer	Roberts
Faulkner	Russell
Ferguson	Skiles
Fielden	Smith of Frio
Fuchs	Spencer
Galbreath	Stoll
Hale	Talbert
Harp	Tarwater
Harrell of Bastrop	Thornberry
Holland	Vint
Howington	Waggoner
Hull	Weldon
Hunt	Wells
Johnson of Ellis	White
Keith	Worley
Kern	Wright

#### Nays—71

Alsup	Boyer
Anderson	Bradford
Baker	Bray
of Fort Bend	Broadfoot
Blankenship	Brown of Cherokee
Bond	Bundy

Burkett	Leonard
Celaya	Little
Clark	Loggins
Cleveland	McAlister
Colquitt	McDonald
Colson, Mrs.	McFarland
Corry	McMurry
Crossley	Montgomery
Daniel	Nicholson
Dean	Olsen
Dickison	Pace
Donaghey	Pevehouse
Felty	Pope
Gilmer	Reed
Goodman	Rhodes
Gordon, Mrs.	Riviere
Hamilton	Robinson
Hankamer	Schuenemann
Hardeman	Segrist
Hardin	Shell
Harper	Smith of Hopkins
Harrell of Lamar	Stinson
Harris	Taylor
Hartzog	Tennant
Howard	Thornton
Isaacks	Vale
Johnson of Tarrant	Voigt
Kersey	Wilson
Kinard	Winfree
Lehman	Wood

#### Absent

Bridgers	Smith
Heflin	of Matagorda
Ragsdale	Turner
	Westbrook

#### Absent—Excused

Kennedy

The Speaker announced that the motion for the previous question was lost.

Question: Shall the amendment by Mr. Cornett be adopted?

#### PERMISSION TO WITHDRAW NAME FROM CER- TAIN BILL

Mr. Derden was authorized to withdraw his name from House Bill No. 287, as co-author of same.

#### BILL ORDERED NOT PRINTED

(By unanimous consent)

On motion of Mr. Kinard, House Bill No. 637 was ordered not printed.

#### NOTICE GIVEN

Mr. Tennant gave notice that he would, on the next legislative day,

move to take up, for consideration, at that time, House Bill No. 18, which bill was heretofore laid on the table subject to call.

#### COMMUNICATION FROM ATTORNEY GENERAL

The Speaker laid before the House, and had read, the following communication from Attorney General Gerald C. Mann:

Austin, Texas, March 13, 1939.

Hon. R. Emmett Morse, Speaker of the House of Representatives.

Dear Mr. Speaker: This will acknowledge your letter of today requesting an opinion of this department as to the constitutionality of House Bill No. 247.

We are giving this matter our immediate attention, but in view of the length of the bill (26 pages) and the difficulty of ascertaining its constitutionality without thorough study, it may be impossible for us to prepare an opinion by 10:30 tomorrow morning, although we will do our best to comply with your request by that hour.

Sincerely yours,

GERALD C. MANN,

Attorney General of Texas.

#### BILL AND RESOLUTIONS SIGNED BY THE SPEAKER

The Speaker signed, in the presence of the House, after giving due notice thereof and their captions had been read severally, the following enrolled bill and resolutions:

H. C. R. No. 59, Authorizing certain correction in House Bill No. 379.

H. C. R. No. 60, Authorizing the caption amended to House Bill No. 379.

H. B. No. 379, "An Act amending Section 1 of House Bill No. 1002, Chapter 363 of the Forty-fifth Legislature, Regular Session, 1937, relating to compensation of County Commissioners in certain counties, repealing all laws in conflict therewith, and declaring an emergency."

#### SENATE BILL ON FIRST READING

The following Senate bill, received from the Senate, was laid before the House, read first time, and referred to the appropriate committee, as follows:

Senate Bill No. 271, to the Committee on Judicial Districts.

#### HOUSE BILLS ON FIRST READING

The following House bills, introduced today, were laid before the House, read severally first time, and referred to the appropriate committees, as follows:

By Mr. Boyer:

H. B. No. 862, A bill to be entitled "An Act authorizing Precinct No. 4 in Lipscomb County, Texas, by vote of the people to determine whether or not they will authorize in said Precinct, the issuance of bonds and levying and collection of the tax not to exceed ten (10c) cents on the One Hundred (\$100.00) Dollar valuation on all property in said Precinct; providing interest on said bonds; providing tax to apply on real and personal property; providing for purchase of site within said Precinct; providing election authorizing construction of lake and recreational park, and declaring an emergency."

Referred to the Committee on Counties.

By Mr. Alsup:

H. B. No. 863, A bill to be entitled "An Act making provisions in certain independent school districts in this State, for an election to determine tax rate to be levied for payment of bonds and interests thereon; to determine tax rate for maintenance in such districts; providing for levy of such taxes; providing for aggregate amount of such levy; providing that when the bond tax exceeds the levy of fifty (50c) cents on the One Hundred (\$100.00) Dollar valuation, that the maintenance tax shall be reduced in an amount equal to the sum added to the bond tax; making this Act cumulative of all laws on the statute books in force as of this date, and declaring an emergency."

Referred to the Committee on School Districts.

Mr. Kinard asked unanimous consent, to introduce, at this time, and have placed on first reading, House Bills Nos. 864 and 865.

There was no objection offered.

The Speaker then laid the bills before the House, they were read severally first time, and referred to

the appropriate committees, as follows:

By Mr. Kinard:

H. B. No. 864, A bill to be entitled "An Act amending Article 3991 of the Revised Civil Statutes of the State of Texas of 1925, so that default judgment may be taken in Justice Court or County Court in forcible entry and detainer proceedings, and declaring an emergency."

Referred to the Committee on Judiciary.

By Mr. Kinard:

H. B. No. 865, A bill to be entitled "An Act amending Article 3985 of the Revised Civil Statutes of the State of Texas of 1925, so that default judgment may be taken in Justice Court in forcible entry and detainer proceedings, and declaring an emergency."

Referred to the Committee on Judiciary.

### RECESS

Mr. Wood moved that the House adjourn until 10:00 o'clock a. m., tomorrow.

Mr. Dwyer moved that the House recess until 10:00 o'clock a. m., tomorrow.

Mr. Johnson of Tarrant moved that the House recess until 7:30 o'clock p. m., today.

Question first recurring on the motion to adjourn, yeas and nays were demanded.

The motion to adjourn was lost by the following vote:

### Yeas—67

Alsup	Colquitt
Anderson	Colson, Mrs.
Baker	Crossley
of Fort Bend	Davis of Upshur
Bell	Dickson
Blankenship	Dickson
Bond	Donaghey
Boyer	Dwyer
Bradford	Felty
Bray	Gilmer
Broadfoot	Goodman
Brown of Cherokee	Gordon, Mrs.
Cauthorn	Hankamer
Celaya	Hardin
Chambers	Harper
Clark	Hartzog
Cleveland	Heflin

Howard	Schuenemann
Johnson of Ellis	Segrist
Johnson of Tarrant	Shell
Kerr	Smith of Hopkins
Kersey	Smith
Leyendecker	of Matagorda
Little	Stinson
McAlister	Taylor
McDaniel	Tennant
McFarland	Thornton
McMurry	Vale
McNamara	Voigt
Monkhouse	Waggoner
Nicholson	Wilson
Pevehouse	Winfree
Reader of Bexar	Wood
Reed	Wright
Riviere	

### Nays—70

Allen	Langdon
Allison	Lehman
Bailey	Leonard
Baker of Grayson	Lock
Boyd	London
Bradbury	McDonald
Bridgers	Mohrmann
Brown	Montgomery
of Nacogdoches	Morris
Bundy	Newell
Burkett	Oliver
Burney	Pace
Cockrell	Petsch
Coleman	Piner
Cornett	Pope
Corry	Reader of Erath
Davis of Jasper	Reaves
Dean	Rhodes
Derden	Roach
Dowell	Roberts
Faulkner	Robinson
Ferguson	Russell
Fielden	Skiles
Hale	Smith of Frio
Hamilton	Spencer
Hardeman	Stoll
Harp	Tarwater
Harrell of Bastrop	Thornberry
Harris	Turner
Holland	Vint
Howington	Weldon
Hunt	Wells
Isaacks	Westbrook
Keith	White
Kern	Worley
King	

### Absent

Daniel	Loggins
Fuchs	Mays
Galbreath	Olsen
Harrell of Lamar	Ragsdale
Hull	Talbert
Kinard	



## Absent—Excused

Kennedy

Question then recurring on the motion to recess until 7:30 o'clock p. m., today, yeas and nays were demanded.

The motion was lost by the following vote:

## Yeas—34

Baker of Grayson	Johnson of Ellis
Boyd	Keith
Bridgers	Kerr
Broadfoot	Langdon
Bundy	Lock
Chambers	Morris
Colson, Mrs.	Reaves
Crossley	Reed
Davis of Jasper	Roberts
Dean	Robinson
Ferguson	Spencer
Fielden	Tennant
Galbreath	Weldon
Hamilton	Wells
Harrell of Bastrop	White
Holland	Wood
Isaacks	Worley

## Nays—107

Allen	Dowell
Allison	Dwyer
Alsup	Faulkner
Bailey	Felty
Baker	Fuchs
of Fort Bend	Gilmer
Bell	Goodman
Blankenship	Gordon, Mrs.
Bond	Hale
Boyer	Hankamer
Bradbury	Hardeman
Bradford	Hardin
Bray	Harp
Brown of Cherokee	Harper
Brown	Harrell of Lamar
of Nacogdoches	Harris
Burkett	Hartzog
Burney	Heflin
Cauthorn	Howard
Celaya	Howington
Clark	Hunt
Cleveland	Johnson of Tarrant
Cockrell	Kern
Coleman	Kersey
Colquitt	King
Cornett	Lehman
Corry	Leonard
Daniel	Leyendecker
Davis of Upshur	Little
Derden	Loggins
Dickison	London
Dickson	McAlister
Donaghey	McDaniel

McDonald	Segrist
McFarland	Shell
McMurry	Skiles
McNamara	Smith of Frio
Mohrmann	Smith of Hopkins
Monkhouse	Smith
Montgomery	of Matagorda
Newell	Stinson
Nicholson	Stoll
Oliver	Tarwater
Pace	Taylor
Petsch	Thornberry
Pevehouse	Thornton
Piner	Turner
Pope	Vale
Reader of Bexar	Vint
Reader of Erath	Voigt
Rhodes	Waggoner
Riviere	Westbrook
Roach	Wilson
Russell	Winfree
Schuenemann	Wright

## Absent

Anderson	Olsen
Hull	Ragsdale
Kinard	Talbert
Mays	

## Absent—Excused

Kennedy

Question then recurring on the motion to recess until 10:00 o'clock a. m., tomorrow, yeas and nays were demanded.

The motion prevailed by the following vote:

## Yeas—84

Alsup	Davis of Upshur
Baker	Dean
of Fort Bend	Dickison
Baker of Grayson	Dickson
Bell	Donaghey
Blankenship	Dowell
Boyd	Dwyer
Boyer	Faulkner
Bradford	Ferguson
Bray	Fuchs
Broadfoot	Gilmer
Brown of Cherokee	Goodman
Bundy	Gordon, Mrs.
Burkett	Hankamer
Cauthorn	Harp
Celaya	Harper
Chambers	Harrell of Lamar
Cleveland	Hartzog
Colquitt	Heflin
Colson, Mrs.	Hunt
Corry	Kersey
Crossley	Langdon
Daniel	Leonard

Leyendecker	Roach
Little	Robinson
Lock	Schuenemann
Loggins	Shell
London	Smith of Frio
McAlister	Smith of Hopkins
McDaniel	Smith
McDonald	of Matagorda
McFarland	Spencer
McMurry	Taylor
Monkhouse	Tennant
Montgomery	Thornberry
Nicholson	Thornton
Olsen	Vale
Pace	Voigt
Petsch	Waggoner
Pope	Wells
Reaves	Wilson
Rhodes	Winfree
Riviere	Wright

## Nays—55

Allen	Johnson of Tarrant
Allison	Kern
Bailey	Kerr
Bond	King
Bradbury	Lehman
Bridgers	McNamara
Brown	Mohrmann
of Nacogdoches	Morris
Burney	Newell
Clark	Oliver
Cockrell	Pevehouse
Coleman	Piner
Cornett	Reader of Bexar
Davis of Jasper	Reader of Erath
Derden	Reed
Felty	Roberts
Fielden	Russell
Galbreath	Segrist
Hale	Skiles
Hamilton	Stinson
Hardeman	Stoll
Harrell of Bastrop	Tarwater
Harris	Turner
Holland	Vint
Howard	Weldon
Howington	Westbrook
Isaacks	White
Johnson of Ellis	Worley

## Absent

Anderson	Mays
Hardin	Ragsdale
Hull	Talbert
Keith	Wood
Kinard	

## Absent—Excused

Kennedy

The House, accordingly, at 6:00 o'clock p. m., took recess until 10:00 o'clock a. m., tomorrow.

## APPENDIX

## STANDING COMMITTEE REPORTS

The following committees have filed favorable reports on bills and resolution, as follows:

Game and Fisheries: House Bill No. 844.

Appropriations: House Bill No. 799.

Agriculture: House Bills Nos. 286 and 526.

Banks and Banking: House Bills Nos. 564 and 776.

Judiciary: House Bills Nos. 32, 459, 640 and 842.

Federal Relations: House Simple Resolution No. 157.

Liquor Traffic: House Bill No. 287.

Counties: House Bills Nos. 559 and 735; Senate Bills Nos. 252 and 39.

Criminal Jurisprudence: House Bills Nos. 190 and 847; Senate Bills Nos. 34, 33 and 102.

Conservation and Reclamation: House Bills Nos. 579 and 685.

Insurance: House Bills Nos. 837 and 626.

The Committee on Constitutional Amendments filed an adverse report of House Joint Resolution No. 39.

The Committee on Criminal Jurisprudence filed an adverse report on House Bill No. 681.

The Committee on Judiciary filed an adverse report, with a minority favorable report, on House Bill No. 197.

## REPORTS OF THE COMMITTEE ON ENGROSSED BILLS

Committee Room,

Austin, Texas, March 14, 1939.

Hon. R. Emmett Morse, Speaker of the House of Representatives.

Sir: Your Committee on Engrossed Bills, to whom was referred

H. C. R. No. 60, Authorizing the Enrolling Clerk to correct the caption of House Concurrent Resolution No. 59.

Has carefully compared same and finds it correctly engrossed.

BRIDGERS, Chairman.

Austin, Texas, March 14, 1939.  
Hon. R. Emmett Morse, Speaker of  
the House of Representatives.

Sir: Your Committee on Engrossed  
Bills, to whom was referred

H. C. R. No. 59, Authorizing the  
Enrolling Clerk to correct House Bill  
No. 379.

Has carefully compared same and  
finds it correctly engrossed.

BRIDGERS, Chairman.

Austin, Texas, March 10, 1939.  
Hon. R. Emmett Morse, Speaker of  
the House of Representatives.

Sir: Your Committee on Engrossed  
Bills, to whom was referred

H. B. No. 20, A bill to be entitled  
"An Act to be known as the 'State  
Soil Conservation Act', reciting the  
legislative determination and declar-  
ation of policy; describing the con-  
sequence of soil erosion and the de-  
pletion of the fertility of the soil;  
reciting appropriate corrective meth-  
ods; defining certain words and  
phrases used in this Act; establish-  
ing the State Soil Conservation  
Board; establishing five (5) State  
Districts from which members of the  
State Soil Conservation Board are to  
be elected; defining the powers and  
duties of said members acting through  
and for said State Soil Conservation  
Board; providing for the establish-  
ing of County Soil Conservation  
Advisory Committees; defining the  
duties and compensation of the mem-  
bers thereof; providing for the com-  
pensation of members of the State  
Soil Conservation Board; providing  
for the method by which vacancies  
on the State Soil Conservation  
Board shall be filled; providing for  
the creation of Soil Conservation  
Districts; providing the manner of  
selection of the Supervisors of said  
Soil Conservation Districts; defining  
the powers, duties, and compensation  
of said Supervisors acting for and  
through such Soil Conservation Dis-  
tricts; providing for the removal of  
Supervisors; providing that vacan-  
cies shall be filled by election of  
Supervisors; providing for a Board  
of Adjustment of three (3) members  
and fixing the method of appoint-  
ment, the term of office, the duties  
and compensation of Board of Ad-  
justment members; providing for re-  
moval of officers under certain con-

ditions and the filling of vacancies;  
providing that the State Treasurer  
shall act as the Treasurer for the  
State Soil Conservation Board; pre-  
scribing the duties of the State  
Treasurer with reference to funds  
of the Board; providing for a bien-  
nial audit and report to be made to  
the Governor of the State by Soil  
Conservation Districts; providing for  
an appropriation to be made for the  
use of the State Board; providing  
the proper method of enforcement  
of such programs and regulations as  
may be promulgated by the several  
Districts described herein; providing  
method by which Soil Conservation  
Districts may be discontinued; re-  
pealing Senate Bill No. 227, Regular  
Session, Forty-fourth Legislature,  
page 504; providing that House Bill  
No. 13, Acts of the Forty-second  
Legislature, Regular Session, and  
House Bill No. 978, Regular Session,  
Forty-fourth Legislature, and Senate  
Bill No. 386, Acts of the Forty-  
fifth Legislature, Regular Session,  
shall be specifically preserved; pro-  
viding that this Act shall be supple-  
mentary and complementary to all  
present laws, except those specific-  
ally repealed by this Act; providing  
this Act shall not impair nor impinge  
upon the rights, powers, and func-  
tions of certain Districts; providing  
separability clause, and declaring an  
emergency."

Has carefully compared same and  
finds it correctly engrossed.

WELDON, Vice-Chairman.

Austin, Texas, March 9, 1939.  
Hon. R. Emmett Morse, Speaker of  
the House of Representatives.

Sir: Your Committee on Engrossed  
Bills, to whom was referred

H. B. No. 670, A bill to be entitled  
"An Act amending Article 2691a, Re-  
vised Civil Statutes of 1925; to pro-  
vide for a rural school supervisor in  
counties having a population of forty-  
six thousand, one hundred (46,100) to  
forty-six thousand, two hundred (46,-  
200); repealing all laws in conflict  
herewith, and declaring an emer-  
gency."

Has carefully compared same and  
finds it correctly engrossed.

WELDON, Vice-Chairman.

# REPORTS OF THE COMMITTEE ON ENROLLED BILLS

Committee Room,

Austin, Texas, March 14, 1939.

Hon. R. Emmett Morse, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. C. R. No. 60, Authorizing the Enrolling Clerk to amend the caption of House Bill No. 379.

Has carefully compared same and finds it correctly enrolled.

HAMILTON, Chairman.

Austin, Texas, March 14, 1939.

Hon. R. Emmett Morse, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. B. No. 500, "An Act amending Chapter 33, of the Local and Special Laws of the Thirty-sixth Legislature of Texas, Regular Session, as amended by Chapter 7, of the Local and Special Laws of the Thirty-sixth Legislature of Texas, Second Called Session, by adding thereto Sections 30a and 30b, providing that the Commissioners' Court of Hill County, Texas, may authorize and issue refunding bonds of said County for the purpose of funding certain scrip warrants outstanding against its Road and Bridge Fund as of February 15, 1939, and setting forth the method of issuing same; validating all acts of the Commissioners' Court and of the county officials of said County in authorizing, issuing, and delivering said warrants; providing that the General Laws pertaining to roads and bridges shall be applicable to said County when not in con-

flict herewith; repealing all laws and parts of laws in conflict herewith; enacting provisions incident to and relating to the subject and purpose of this Act, and declaring an emergency."

Has carefully compared same and finds it correctly enrolled.

HAMILTON, Chairman.

Austin, Texas, March 14, 1939.

Hon. R. Emmett Morse, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. C. R. No. 59, Authorizing the Enrolling Clerk to correct House Bill No. 379.

Has carefully compared same and finds it correctly enrolled.

HAMILTON, Chairman.

Austin, Texas, March 13, 1939.

Hon. R. Emmett Morse, Speaker of the House of Representatives.

Sir: Your Committee on Enrolled Bills, to whom was referred

H. B. No. 379, "An Act amending Section 1 of House Bill No. 1002, Chapter 363, General and Special Laws of the Forty-fifth Legislature, Regular Session, 1937, and Section 4 of Chapter 362, General Laws of the Forty-fourth Legislature, Regular Session, as amended by Chapter 195, General and Special Laws, Forty-fifth Legislature, Regular Session, relating to compensation of County Commissioners in certain counties; repealing all laws in conflict, and declaring an emergency."

Has carefully compared same and finds it correctly enrolled.

HAMILTON, Chairman.

## In Memory of Mr. Robert Pagitt

Mr. Spencer offered the following resolution:

H. S. R. No. 171, In memory of Mr. Robert Pagitt.

Whereas, The House of Representatives has learned with deep regret of the passing, on March 8, 1939, of Mr. Robert (Uncle Bob) Pagitt, eighty-two, life-long resident of Henderson County, and widely known as a historian of early East Texas; and

Whereas, It was Uncle Bob who helped Chief Quanah Parker, in 1910, locate and remove, to the family Indian burial ground at Post Oak, Oklahoma, the remains of his mother, Cynthia Ann Parker, who was captured by the Comanche Indians in 1836 and lived among the Indians for several years, and who was rescued by her friends and kinsmen and later lived among her people, dying in the Poynor locality in 1864 and being laid to rest in the Old Fosterville Cemetery in northeastern Anderson County; and

Whereas, Uncle Bob Pagitt, some five years ago, accompanied Reverend White Parker, of Oklahoma, in an effort to locate the grave of Prairie Flower, daughter of Cynthia Ann Parker, who was reported to have been buried in Old Fosterville Cemetery; in which search they were successful; and

Whereas, Mr. Pagitt has rendered valuable service to his State, both as a pioneer father and as a contributor of valuable historical information; now, therefore, be it

Resolved by the House of Representatives, That, upon adjournment today, we do so in honor of Mr. Robert Pagitt, expressing our sincere sympathy to his bereaved family; and, be it further

Resolved, That a copy of this resolution be spread upon the memorial pages of the House Journal of this day, and that the Chief Clerk of the House of Representatives send a copy of this resolution to the members of Mr. Pagitt's family: Mrs. Pleas Milner, Poynor, Texas; Mrs. Howard Scarborough, Poynor, Texas; Elie Pagitt, Poynor, Texas; and Mrs. Roberts, in care of Mrs. Howard Scarborough, Poynor, Texas.

SPENCER.

The resolution was read second time.

Signed—Morse, Speaker; Allen, Allison, Alsup, Anderson, Bailey, Baker of Fort Bend, Baker of Grayson, Bell, Blankenship, Bond, Boyd, Boyer, Bradbury, Bradford, Bray, Bridgers, Broadfoot, Brown of Cherokee, Brown of Nacogdoches, Bundy, Burkett, Burney, Cauthorn, Celaya, Chambers, Clark, Cleveland, Cockrell, Coleman, Colquitt, Mrs. Colson, Cornett, Corry, Crossley, Daniel, Davis of Jasper, Davis of Upshur, Dean, Derden, Dickison, Dickson, Donaghey, Dowell, Dwyer, Faulkner, Felty, Ferguson, Fielden, Fuchs, Galbreath, Gilmer, Goodman, Mrs. Gordon, Hale, Hamilton, Hankamer, Hardeman, Hardin, Harp, Harper, Harrell of Bastrop, Harrell of Lamar, Harris, Hartzog, Heflin, Holland, Howard, Howington, Hull, Hunt, Isaacks, Johnson of Ellis, Johnson of Tarrant, Keith, Kennedy, Kern, Kerr, Kersey, Kinard, King, Langdon, Lehman, Leonard, Leyendecker, Little, Lock, Loggins, London, Mays, McAlister, McDaniel, McDonald, McFarland, McMurry, McNamara, Mohrmann, Monkhouse, Montgomery, Morris, Newell, Nicholson, Oliver, Olsen, Pace, Petsch, Pevehouse, Piner, Pope, Ragsdale, Reader of Bexar, Reader of Erath, Reaves, Reed, Rhodes, Riviere, Roach, Roberts, Robinson, Russell, Schuenemann, Segrist, Shell, Skiles, Smith of Frio, Smith of Hopkins, Smith of Matagorda, Stinson, Stoll, Talbert, Tarwater, Taylor, Tennant, Thornberry, Thornton, Turner, Vale, Vint, Voigt, Waggoner, Weldon, Wells, Westbrook, White, Wilson, Winfree, Wood, Worley and Wright.

On motion of Mr. Weldon, the names of all the Members of the House were added to the resolution as signers thereof.

The resolution was unanimously adopted.